

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Periodic Reporting
(Proposal Four)

Docket No. RM2016-12

CHAIRMAN'S INFORMATION REQUEST NO. 4

(Issued October 3, 2016)

To clarify the Postal Service's petition to consider a change in analytical principles, filed August 22, 2016, the Postal Service is requested to provide written responses to the following questions.¹ Answers to each question should be provided as soon as they are developed, but no later than October 11, 2016.

1. The Petition at 3 states: "[t]he variability of capacity with respect to volume was estimated for each of the four different types of purchased highway transportation utilizing Transportation Cost System (TRACS) data covering fiscal years 2010 through 2015."
 - a. Please confirm that the TRACS system samples only regular routes.
 - b. If not confirmed, please:
 - i. describe the non-regular routes that are sampled,
 - ii. estimate the percentage of non-regular routes sampled in TRACS for each fiscal year from FY 2010 to FY 2015, and

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Four), August 22, 2016 (Petition). The following were filed on August 22, 2016, in support of the Petition: USPS-RM2016-12/1, Public Material Relating to Proposal Four; USPS-RM2016-12/NP1, Nonpublic Material Relating to Proposal Four; and "Research on Estimating the Variability of Purchased Highway Transportation Capacity with Respect to Volume," by Michael D. Bradley, Department of Economics George Washington University (Bradley Report).

- iii. provide the TRACS sample drawn from sampling non-regular routes.
2. The Postal Service's response to Chairman Information Request No. 1, question 9, describes the CON_TYPE variable as "[t]he type of contract covering the purchased highway transportation." See Responses of the United States Postal Services to Questions 1-9 of Chairman's Information Request No. 1, September 13, 2016. In the documentation to TRACS provided in Docket No. ACR2015, Library Reference USPS-FY15-36, December 29, 2015, file README_TRACS (Public).pdf, at 4, CONT_TYPE is described as "[m]ode type (InterBMC, IntraSCF...)."
- a. Please confirm, that "mode type" and "contract type" used to identify CONT_TYPE variable in the two referenced documents have the same meaning.
 - b. If confirmed, please indicate whether or not each contract type might include multiple district individual contracts for purchased highway transportation.
 - c. If not confirmed, please explain the difference between "mode type" and "contract type."
3. Please refer to Library Reference USPS-RM2016-12/1, August 22, 2016, and Library Reference 36, filed annually in Docket Nos. ACR2010 through ACR2015 (e.g., Library Reference USPS-FY15-36), folder "Inputs", subfolder "Highway."
- a. Please confirm that a given ROUTE variable in SAS input files from each Library Reference 36 (i.e., "form3c", "form3l" etc.) *generally* refers to the same CONTRACT_TYPE variable, as well as the same route across all 6 years (FY 2010-FY 2015) in the sample used as an input to estimate capacity-to-volume variabilities in Library Reference USPS-RM2016-12/1.

- b. If confirmed, please describe the circumstances under which, in the analyzed time period, a given ROUTE variable would refer to different CONTRACT_TYPE variables.
 - c. If not confirmed, considering a situation when a ROUTE variable refers to different CONTRACT_TYPE variables, please:
 - i. identify the most common underlying reasons, and
 - ii. indicate the relative frequency of such instances.
- 4. Please refer to Docket No. ACR2015, Library Reference USPS-FY15-36, folder “Inputs”, subfolder “Highway.” Please confirm that in the input data files, for each TESTID variable, the LEG variable corresponds to all legs traveled by a sampled item on the route-day that corresponds to that TESTID. If not confirmed, please describe the LEG variable.
- 5. Please refer to Docket No. ACR2015, Library Reference USPS-FY15-36, folder “Inputs”, subfolder “Highway.”
 - a. Please confirm that for each TESTID, there is recorded information in the TRACS input files (*i.e.*, “forms3c”, “forms3l”, “pallet” etc.) only if certain activities/operations (*e.g.*, loading, unloading of mail) are performed at tested facilities (identified with the DCODE, “[t]est facility code”). See Docket No. ACR2015, Library Reference USPS-FY15-36, file README_TRACS (Public).pdf, at 3.
 - b. If confirmed, please describe operations (*e.g.*, loading, unloading of mail) performed at tested facilities. Please include references to all applicable information sources.
 - c. If not confirmed, please explain what data were collected on the route, but not in tested facilities, and identify where such information is provided in TRACS.

6. The following questions concern the Postal Service's operations in connection with the purchased highway transportation contracts.
 - a. Please confirm that trucks transporting mail under contracts always follow regular pre-specified routes. If not confirmed, please indicate how often (in terms of frequency or percentage) the trucks deviate from their regular routes, and describe the underlying reasons that deviations occur.
 - b. Does the volume of mail to be picked at a particular stop ever exceed the available capacity of the provided truck(s)? If so, please explain what actions the Postal Service takes when this occurs (*e.g.*, deferring mail until a later run, arranging additional transportation, *etc.*). If this varies by different contract types and/or type of transported mail, please explain.

By the Acting Chairman.

Robert G. Taub